

Federal Reserve System

Pt. 226, App. E

Estimated amount financed:			
Principal	\$ 50,000.00		\$ 50,000.00
Construction Interest	- 1,093.75		- 2,187.50
Points	- 1,000.00	\$ 47,906.25	- 1,000.00
			\$ 46,812.50
Number of payments		360	360
Payment amount	\$ 457.37		\$ 457.37
First payment period (5 + 2) + 1	3 1/2 months	(5 + 2) + 1	3 1/2 months
Estimated APR (Actuarial)	10.75%		11.03%
Estimated APR (Volume I):			
	$\frac{11,674,695}{47,906.25} = 243.70 = FC/\100		$\frac{11,784,070}{46,812.50} = 251.73 = FC/\100
First period adjustment = 3 mo., 15 days = +5.0			First period adjustment = 3 mo., 15 days = +5.0
Using 365 payment line, the figure closest to 243.70 is 247.00, which corresponds to an APR of	11%		Using 365 payment line, the figure closest to 251.73 is 253.93, which corresponds to an APR of
			11.25%

Disclosures

Amount financed	\$ 49,000.00	\$ 49,000.00
Prepaid finance charge	1,000.00	1,000.00
FINANCE CHARGE (Estimate)	116,746.95	117,840.70
ANNUAL PERCENTAGE RATE (Estimate)	11%	11.25%
Repayment: Interest on the amount of credit outstanding during the construction period will be paid monthly, followed by 360 monthly payments of \$457.37, beginning 1-12-81.		5 monthly payments of \$437.50 beginning 8-12-80, followed by 360 monthly payments of \$457.37 beginning 1-12-81.
Total of payments (Estimate)	\$165,746.95	\$166,840.70

[46 FR 20892, Apr. 7, 1981; 46 FR 29246, June 1, 1981]

APPENDIX E TO PART 226—RULES FOR CARD ISSUERS THAT BILL ON A TRANSACTION-BY-TRANSACTION BASIS

The following provisions of Subpart B apply if credit cards are issued and (1) the card issuer and the seller are the same or related persons; (2) no finance charge is imposed; (3) consumers are billed in full for each use of the card on a transaction-by-transaction basis, by means of an invoice or other statement reflecting each use of the card; and (4) no cumulative account is maintained which reflects the transactions by each consumer during a period of time, such as a month:

Section 226.6(d), and, as applicable, §226.6(b) and (c). The disclosure required by §226.6(b) shall be limited to those charges that are or may be imposed as a result of the deferral of payment by use of the card, such as late payment or delinquency charges.

Section 226.7(b) and §226.7(k). Creditors may comply by placing the required disclosures on the invoice or statement sent to the consumer for each transaction.

Section 226.9(a). Creditors may comply by mailing or delivering the statement required by §226.6(d) (See appendix G-3) to each consumer receiving a transaction invoice during a one-month period chosen by the card issuer or by sending either the statement prescribed by §226.6(d) or an alternative billing error rights statement substantially similar

to that in appendix G–4, with each invoice sent to a consumer.

Section 226.9(c).

Section 226.10.

Section 226.11. This section applies when a card issuer receives a payment or other credit that exceeds by more than \$1 the amount due, as shown on the transaction invoice. The requirement to credit amounts to an account may be complied with by other reasonable means, such as by a credit memorandum. Since no periodic statement is provided, a notice of the credit balance shall be sent to the consumer within a reasonable period of time following its occurrence unless a refund of the credit balance is mailed or delivered to the consumer within 7 business days of its receipt by the card issuer.

Section 226.12 including § 226.12(c) and (d), as applicable. Section 226.12(e) is inapplicable.

Section 226.13, as applicable. All references to *periodic statement* shall be read to indicate the invoice or other statement for the relevant transaction. All actions with regard to correcting and adjusting a consumer's account may be taken by issuing a refund or a new invoice, or by other appropriate means consistent with the purposes of the section.

Section 226.15, as applicable.

[Reg. Z, 46 FR 20892, Apr. 7, 1981, as amended at 46 FR 60190, Dec. 9, 1981]

EFFECTIVE DATE NOTE: At 74 FR 5421, Jan. 29, 2009, appendix E to part 226 was revised, effective July 1, 2010. For the convenience of the user, the revised text is set forth as follows:

APPENDIX E TO PART 226—RULES FOR CARD ISSUERS THAT BILL ON A TRANSACTION-BY-TRANSACTION BASIS

The following provisions of Subpart B apply if credit cards are issued and the card issuer and the seller are the same or related persons; no finance charge is imposed; consumers are billed in full for each use of the card on a transaction-by-transaction basis, by means of an invoice or other statement reflecting each use of the card; and no cumulative account is maintained which reflects the transactions by each consumer during a period of time, such as a month. The term "related person" refers to, for example, a franchised or licensed seller of a creditor's product or service or a seller who assigns or sells sales accounts to a creditor or arranges for credit under a plan that allows the consumer to use the credit only in transactions with that seller. A seller is not related to the creditor merely because the seller and the creditor have an agreement authorizing the seller to honor the creditor's credit card.

1. *Section 226.6(a)(5) or § 226.6(b)(5)(iii).*

2. *Section 226.6(a)(2) or § 226.6(b)(3)(ii)(B), as applicable.* The disclosure required by

§ 226.6(a)(2) or § 226.6(b)(3)(ii)(B) shall be limited to those charges that are or may be imposed as a result of the deferral of payment by use of the card, such as late payment or delinquency charges. A tabular format is not required.

3. *Section 226.6(a)(4) or § 226.6(b)(5)(ii).*

4. *Section 226.7(a)(2) or § 226.7(b)(2), as applicable; § 226.7(a)(9) or § 226.7(b)(9), as applicable.* Creditors may comply by placing the required disclosures on the invoice or statement sent to the consumer for each transaction.

5. *Section 226.9(a).* Creditors may comply by mailing or delivering the statement required by § 226.6(a)(5) or § 226.6(b)(5)(iii) (see Appendix G–3 and G–3(A) to this part) to each consumer receiving a transaction invoice during a one-month period chosen by the card issuer or by sending either the statement prescribed by § 226.6(a)(5) or § 226.6(b)(5)(iii), or an alternative billing error rights statement substantially similar to that in Appendix G–4 and G–4(A) to this part, with each invoice sent to a consumer.

6. *Section 226.9(c).* A tabular format is not required.

7. *Section 226.10.*

8. *Section 226.11(a).* This section applies when a card issuer receives a payment or other credit that exceeds by more than \$1 the amount due, as shown on the transaction invoice. The requirement to credit amounts to an account may be complied with by other reasonable means, such as by a credit memorandum. Since no periodic statement is provided, a notice of the credit balance shall be sent to the consumer within a reasonable period of time following its occurrence unless a refund of the credit balance is mailed or delivered to the consumer within seven business days of its receipt by the card issuer.

9. *Section 226.12 including § 226.12(c) and (d), as applicable.* Section 226.12(e) is inapplicable.

10. *Section 226.13, as applicable.* All references to "periodic statement" shall be read to indicate the invoice or other statement for the relevant transaction. All actions with regard to correcting and adjusting a consumer's account may be taken by issuing a refund or a new invoice, or by other appropriate means consistent with the purposes of the section.

11. *Section 226.15, as applicable.*

APPENDIX F TO PART 226—ANNUAL PERCENTAGE RATE COMPUTATIONS FOR CERTAIN OPEN-END CREDIT PLANS

In determining the denominator of the fraction under § 226.14(c)(3), no amount will be used more than once when adding the sum of the balances¹ subject to periodic rates to

¹Where a portion of the finance charge is determined by application of one or more